



STATE OF CONNECTICUT

ASIAN PACIFIC AMERICAN AFFAIRS COMMISSION

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Thursday, March 5, 2015

Dear Senator Bartolomeo, Representative Willis, Senator Winfield, Representative Lesser, and esteemed members of the Higher Education and Banking Committees,

My name is Alok Bhatt. I serve as Legislative Analyst of the Asian Pacific American Affairs Commission (APAAC/the Commission).

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Considering the great social and cultural importance APA communities place on education, and in addressing the increasingly untenable financial goal of funding higher education, the Commission writes today in strong support of two bills: SB 950: An Act Enabling the Refinancing of Student Loans, and HB 6915: An Act Concerning a Student Loan Bill of Rights.

Commissioners

Arlene Avery
Theodore Feng
Jack K. Hasegawa
Sylvia Ho
Theodore Hsu
George Mathanool
Dr. Atique Mirza
An-Ming Truxes

SB 950 allows students with education loans to refinance their debt through the Connecticut Higher Education Supplemental Loan Authority (CHESLA). Cumulatively, student loans have surpassed all other debt in the United States, recently tipping the scale of one-trillion dollars. Student loan debt is also impossible to vacate via bankruptcy. Furthermore, in times of decreased state investment in higher education, and increased spending within colleges on non-academic projects, attending college has never been a more difficult goal.

Executive Director

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Alok Bhatt

We cannot allow financial limitations to deter our youth and learners of all ages from pursuing higher education. In a society that thrives on an educated and productive populous, allowing economic barriers to education exist will only hinder our progress. The Commission believes the option to refinance loans may make college a more feasible goal as students and families contemplate the financial undertaking it often entails.

In addressing multi-generational debt, which becomes a more significant factor as post-graduate degree holders often end up with over six figures of loan debt, SB 950 also allows parents with students residing in state or who attended an institution of higher education in state to benefit from this policy.

The Commission recommends that the terms of refinancing grant genuine ease to student loan debt holders, and ought to make refinancing a viable option even for those with less than stellar credit ratings.

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In promoting a smarter financial framework around higher education, the Commission also supports a Student Loan Borrower Bill of Rights. HB 6915 creates a Student Loan Ombudsman in the Department of Banking, responsible for monitoring and analyzing student loan activity on state and federal levels. The Ombudsman would represent a mediator between students, institutions of higher education, and student loan servicers. The Ombudsman's office would also collect and act on complaints related to student loans in Connecticut.

Furthermore, the Ombudsman's office will serve an educational role, providing institutions of higher education, their students, and families with programs and information related to student loan literacy. The more widespread and indiscreet availability of information and resources will enable students and families to better plan the financing of higher education, with a clear understanding of payment options available to them.

In enabling education access for APA and all students in Connecticut, APAAC strongly recommends that the Connecticut General Assembly pass both SB 950 and HB 6915. The future of our next generations depends on our prudence to provide a steady foundation. Let us build that foundation and allow Connecticut students to attain their educational goals, despite economic circumstances.

Respectfully Submitted,

Alok Bhatt
Legislative Analyst, Asian Pacific American Affairs Commission